

**AMNESTY
INTERNATIONAL**



AMNESTY INTERNATIONAL AUSTRALIA

ABN 64 002 806 233

ANNUAL FINANCIAL REPORT

2012

The Directors present their report together with the financial report of Amnesty International Australia (AIA) ("the company") for the year ended 31 December 2012 and the auditor's report thereon.

Directors

The Directors, at any time during the financial year and until the date of this report are:

| Name and Qualifications | Experience and Special Responsibilities |
|---|--|
| <i>Anthony Stuart Mitchell</i> | Director appointed 17/5/08 President from 1/9/11 |
| <i>BA (Pure Mathematics) BSc (Psychology)</i> | Director, Bendelta P/L (strategic advisory firm) Amnesty International Australia member since 2005 New South Wales Branch President May 2008 – July 2010 and Branch Vice President May 2007 – May 2008 Member, New South Wales Branch Committee May 2006 – July 2010 Delegate, International Council Meeting 2011 Vice President July 2010 – 1/9/11 |
| Director and President | |
| <i>Georgina Perry</i> | Director 3/9/04 – 8/7/12 |
| <i>LLB (Hons), BA</i> | Solicitor, Ashurst Member of Amnesty International Australia since 1992 New South Wales Branch President 2002–2004 National Vice President 2004 - July 2006 National President from July 2006 to 2008 Delegate, International Council Meeting 2007 Director 16/3/02 – 21/7/04 |
| Director | |
| <i>Catherine Cooper</i> | Director 31/10/06 – 10/5/08 and since 6/7/08 Company Secretary since 9/7/11 |
| <i>M Ed, BA, Grad Dip Ed</i> | Manager, Learning & Assessment Design, SACE Board of South Australia Member of Amnesty International Australia since 1994 South Australia/Northern Territory Branch Committee member 2005 - 2008 SA/NT Branch President October 2006 – May 2008 |
| Director and Company Secretary | |
| <i>Russell Keith Solomon</i> | Director 20/7/08 – 12/6/12 |
| <i>BA(Hons), B.Juris, LLB, MA, PhD</i> | Program Director and Senior Lecturer, Legal and Dispute Studies, RMIT University Admitted to practice as Barrister and Solicitor, Victoria and Western Australia Member of Amnesty International Australia since 1985 Member, Victorian Branch Committee since 2005 Vice President, Victorian Branch Committee 2006-2008 President, Victorian Branch Committee July 2008 - 2010 |
| Director | |

| Name and Qualifications | Experience and Special Responsibilities |
|---|--|
| <i>Denise Skiffington</i> | Director appointed 15/12/08 |
| BM, BS, MA Director | Practising General Medical Practitioner Member of Amnesty International Australia since 1997 Convenor of an Amnesty International Australia local group since 2002 Member of South Australia/Northern Territory Branch Committee 2006 - 2009 Vice President, SA/NT Branch Committee 2008 Branch President, SA/NT since December 2008 |
| <i>Gregory David Stitt</i> | Director appointed 16/5/09 |
| Director | Self-employed Electrical Designer Australian Coordinator AI East African Regional Network 1995-1996 Rejoined Amnesty International Australia in 2000 Convenor, China Group 2008, Member SVAW group 2009 Member, Mt. Lawley local group Member, West Australian Branch Committee since October 2007 Vice President, WA Branch 2008-2009 President, WA Branch since May 2009 |
| <i>Helen Patricia Corbett</i> | Director 17/1/08 – 6/7/08 and since 11/7/10 |
| BA (Hons), Grad. Dip. Community Adult Education, Grad. Dip. Creative Arts Director | Vice-President, Aboriginal and Islander Women's Congress (1988 – 1992) Woman Commissioner, World Council for Indigenous People (1992 – 1993) Board member, UNPO (1992 – 1998) Indigenous NGO Advisor, Minister for Foreign Affairs and Trade at UN World Conference on Human Rights (1993) President, IWAC (1993 – 1995) Advisor to Federal Minister for Women's Interests (1999 – 2000) Board member, Derbal Yerrigan (Aboriginal) Health Service (2003) Trustee, Bringing Them Home Trust (2004 – 2006) Advisor, Minister for Women's Interests (WA, 2003 – 2009) Advisor, Minister for Disabilities (2008) |
| <i>Wayne Alexander Sanderson</i> | Director 15/5/10 – 12/5/12 |
| BA (Hons), BD, D.Min in Service Design & Development Director | Consultant, Management and Public Policy Adjunct Professor, Griffith University. Accredited Mediator, Qld Justice Department Member of Amnesty International Australia since 2009 Treasurer of Queensland Branch to 2010 |

| Name and Qualifications | Experience and Special Responsibilities |
|---|--|
| <p><i>Kathleen Marie Richards</i></p> <p><i>BSc (Hons), MA</i></p> <p>Director and Vice President</p> | <p>Director appointed 19/5/10 Vice-President since 7/9/11</p> <p>Commonwealth Public Servant Member of Amnesty International Australia since 1991 Member ACT/South New South Wales Branch Committee since 2007 – 2011. Secretary 2008 and Vice President 2009 Delegate, International Council Meeting 2007, 2009 & 2011 Convenor ACT/SNSW Women's Rights Group (2005-2007), Mums & Bubs for Amnesty Group (2009-2011), School Group (1991)</p> |
| <p><i>Caroline Susan Jakeman</i></p> <p><i>BSc (Hons Psychology), Diploma of Business</i></p> <p>Director</p> | <p>Director 15/5/10 – 3/12/12</p> <p>Workplace Trainer and Assessor (Firth Jakeman & Morrison) Member of Amnesty International Australia since 2008 Member, Tasmanian Branch Committee incl. Treasurer since 2009 Member Women's Rights Team</p> |
| <p><i>Giles Errol Gunesequera</i></p> <p><i>Masters App. Fin & Inv. BComm Cert. Workplace Training SF Fin, AFAIM, MAITD</i></p> <p>Director and Treasurer</p> | <p>Director appointed 20/7/10 Treasurer since 9/7/11</p> <p>Director, Head of Third Party Sales, Principal Global Investors. Member of Amnesty International Australia since 1990 Member, Audit & Risk Committee since 2008 and Chair since 9/7/11 Member of the Speakers Network since 1999 Member of New South Wales Branch Committee 2005 – 2010 NSW Branch Committee Treasurer 2006 – 2010</p> |
| <p><i>Sarah Ellen Holloway</i></p> | <p>Director appointed 13/7/2011</p> |
| <p><i>BA/LLB, Grad Dip Legal Practice</i></p> <p>Director</p> | <p>Lawyer, Victoria Legal Aid Member of Amnesty International Australia since 2001 Member, Tasmanian Branch Committee 2005 – 2008 incl Secretary 2006, Vice President 2007, Branch President 2008 Member, Victorian Branch Committee 2010 – 2011</p> |
| <p><i>Gabrielle Susan Mary Kavanagh</i></p> <p><i>B.International Studies</i></p> <p>Director</p> | <p>Director appointed 13/7/11</p> <p>Campaigns Officer, Uniting Care Children Young People and Families Member of Amnesty International Australia since 2005 Member, NSW Branch Committee since 2006 incl. Vice President 2008 – 2010 and President 2010 – 2011 Delegate, International Council Meeting 2011</p> |
| <p><i>Katharine Wheldrake</i></p> <p><i>LLB/LP (Hons), BA</i></p> <p>Director</p> | <p>Director 7/9/11 – 18/1/12</p> <p>Public Servant Member of Amnesty International Australia since 2006 Member of South Australia/Northern Territory Branch Committee 2008 – 2010 incl. Vice President 2009 – 2010 Member ACT/South New South Wales Branch Committee 2011</p> |

| Name and Qualifications | Experience and Special Responsibilities |
|--|--|
| <i>Nazzareno Giovanni Gori</i> | Director appointed 18/1/12 |
| <i>B Eng (Elec)</i> Director | Retired Member of Amnesty International Australia since 1992. Member ACT/South New South Wales Branch Committee 2002-2003, 2005 and since 2011 Member National Women's Team since 2004; Convenor 2005, 2007-2011 Member ACT/SNSW Women's Rights Team since 2000; Convenor 2000-2005 Member, Support and Adoption groups in UK 1982-1989 |
| <i>Simon Dominic Rumore</i> | Director appointed 12/5/12 |
| <i>B Comm, GAICD</i> Director | Management Consultant Member of Amnesty International Australia since 1998 and AI Northern Ireland previously Member of Queensland Branch Committee since 2009 incl. Secretary 2010-2012 Convenor QLD Business Network. Deputy Volunteer Coordinator International Committee Meeting 2011 |
| <i>David Ralph Robertson</i> | Director appointed 8/7/12 |
| <i>Dip. Government, Dip. Office Administration</i> Director | Public Servant, Parliament of Victoria Member of Amnesty International Australia since 1996 Member Victorian Branch Committee 2008 – 2012, Victorian Parliamentary group since 2010, International Criminal Court group 2012. Speakers Network 2013. International Criminal Court Group 2012. |
| <i>Cassandra Devine</i> | Director appointed 12/6/12 |
| <i>BA(M&C), BPPM (Hons)</i> Director | Researcher, ACTU Member of Amnesty International Australia since 2002 Member Victorian Branch Committee since 2009 incl. Treasurer 2010-2012 and VP 2012 Member of Amnesty International Australia's Asia-Pacific Team 2004-2005, Indigenous Group 2010-2011 and Speakers Network 2011-current |
| <i>Victoria Louise Geeves Banks</i> | Director appointed 3/12/12 |
| <i>LLM, BIS/LLB, Grad. Cert. Legal Practice</i> Director | Senior Policy Analyst, Dept. Health and Human Services Member of Amnesty International Australia since 2010 Member Tasmanian Branch Committee since 2010 |

Unless otherwise indicated all Directors held their positions as Directors throughout the entire calendar year and up to the date of this report.

Directors' Attendance at Board Meetings – 2012

| Director | Board Meetings | | Audit & Risk Committee | | Public Fund Committee | | Governance Committee | |
|---------------------|--------------------|----------|------------------------|----------|-----------------------|----------|----------------------|----------|
| | Eligible to attend | Attended | Eligible to attend | Attended | Eligible to attend | Attended | Eligible to attend | Attended |
| Anthony Mitchell | 8 | 7 | | | | | | |
| Georgina Perry | 3 | 3 | 3 | 3 | | | 2 | 1 |
| Catherine Cooper | 8 | 8 | | | 1 | 1 | 10 | 10 |
| Russell Solomon | 3 | 3 | | | | | 4 | 3 |
| Denise Skiffington | 8 | 8 | | | | | | |
| Gregory Stitt | 8 | 8 | 2 | 2 | | | | |
| Helen Corbett | 8 | 3 | | | | | | |
| Wayne Sanderson | 2 | 2 | | | | | | |
| Kathleen Richards | 8 | 8 | | | | | 8 | 8 |
| Caroline Jakeman | 8 | 6 | 5 | - | | | 10 | 5 |
| Giles Gunsekera | 8 | 8 | 5 | 5 | 1 | 1 | | |
| Sarah Holloway | 8 | 8 | 5 | 4 | 1 | 1 | | |
| Gabrielle Kavanagh | 8 | 8 | | | | | 5 | 4 |
| Katharine Wheldrake | 0 | 0 | | | | | | |
| Nazzareno Gori | 8 | 7 | | | | | | |
| Cassandra Devine | 5 | 5 | | | | | | |
| David Robertson | 5 | 4 | | | | | | |
| Simon Rumore | 6 | 6 | | | | | 5 | 5 |
| Victoria Banks | - | - | | | | | | |

The Audit and Risk Committee assists and advises the Board in relation to identifying and managing business risk within the organisation and also in relation to financial management and reporting.

The Public Fund Committee oversees the correct administration of gifts and donations.

The Governance Committee is responsible, among other things, for assisting and advising the Board on the company's corporate governance responsibilities and practices. This includes such matters as Director induction, training and development, Director recruitment and performance reviews.

Short and long term objectives

Our vision

Our Global Vision Statement underpins the work of the entire worldwide movement of Amnesty International, and provides a framework for the operation of all Amnesty International Sections. The goals which Amnesty works towards in Australia are set by our Board and Senior Management Team with vital input from our supporters.

By 2014, Amnesty International Australia will protect and defend the human rights of more people by:

- Inspiring 500,000 people every year to take action for human rights.
- Positively influencing and informing key opinion formers and decision makers.
- Being an inclusive, authoritative, relevant and bold organisation.
- Playing a leading role in Amnesty International, particularly in the Asia Pacific.

Our goals

In 2013 Amnesty International Australia will:

- Work with Afghan women fighting for a better future.
- Campaign for an effective Arms Trade Treaty.
- Respond rapidly to international crises and individuals at risk.
- Stand with Indigenous communities to end human rights abuses.
- Champion the rights of refugees and asylum seekers.
- Strengthen, empower and grow our grassroots support.
- Increase support to our global movement and sustain growth and impact in the Asia Pacific.

Approach to Achieving Short and Long Term Objectives

Amnesty International Australia identifies opportunities to achieve human rights impact through building strong campaigns and using those campaigns to empower our activists, reach out to new audiences, recruit new supporters and achieve the required pressure that results in positive change.

In 2012 we were part of a global campaign calling for the UN to sign a strong Arms Trade Treaty with human rights at its core. As a result of our campaign, the Australian Government was one of the strongest advocates for a treaty, the vast majority of General Assembly countries supported a treaty, and a draft was prepared that almost fulfils our objectives. In 2013 we will be hoping to push this over the line at the next General Assembly meeting in March.

We achieved a significant win for our campaign on homelands. In March the Federal and Northern Territory governments adopted a key recommendation of our homelands report and committed to investing \$221 million over 10 years for essential services to in remote Aboriginal communities.

Regarding our ongoing work alongside individuals at risk, Burmese prisoner of conscience U Myint Aye was released in November, which meant that every individual at risk in Burma we have been working for has been freed.

Despite backward steps from the government on treatment of asylum seekers, our dedicated supporters spread awareness of their plight by holding more than 130 events screening SBS's *Go Back to Where you Came From*, attracting 4,000 people. We developed a school resource on refugee rights that was taught in 15 per cent of Australia's secondary schools. And our supporters raised funds to buy 3,500 bilingual dictionaries for people living in detention.

In November, after we visited Nauru and reported on the dreadful conditions there, Nauru announced that it would begin processing asylum claims. In 2013, our team will visit Manus Island and continue to alert the government and the public to the terrible conditions facing asylum seekers.

Principal Activities during the Year

The principal activities of the company during the course of the financial year were human rights campaigning, awareness raising and fundraising. There have been no significant changes in the nature of these activities during the year.

Results

The operating deficit for 2012 amounted to \$1,369,184 (2011: deficit \$3,490,851). This was as a result of continued investment in growth to meet our obligations to provide increased financial contributions to the global movement. This increase in funds will ensure that Amnesty International has a greater presence and impact in parts of the world that face grave human rights violations.

Fundraising generally performed well in 2012, with overall program growth. Recruitment of monthly donors, Human Rights Defenders, was as expected, although retention of new supporters was not as high as hoped. Income from these donors makes up the largest part of our fundraising income. Gifts from our more generous supporters were down on the previous year, impacting our non-pledge income. New challenge events, where supporters raise funds on AIA's behalf, have continued to grow as an income source.

The organisation has set key performance indicators (KPIs) to monitor overall performance against the vision of Amnesty International Australia. These are in addition to KPIs and other measuring tools utilised for individual project, campaigns and work plans. The organisational KPIs and our 2012 performance is listed below:

- 1 - KPI: The number of people taking action in the preceding 12 months
 - 2012 Target: 200,000 people as at 31 December
 - 2012 Result: 215,000 people took action in the year 2012
- 2 - KPI: The audience reach of AIA's media
 - 2012 Target: 184 million people estimated to be reached in 2012 calendar year
 - 2012 Result: 219.4 million people reached
- 3 - KPI: AIA's prompted awareness
 - 2012 Target: 83%
 - 2012 Result: 83% (most recent survey undertaken)
- 4 - KPI: The representativeness of age, gender and ATSI profile of AIA's supporter
 - 2012 Target: Supporter profile is consistent with the broader Australian population, as published by the ABS
 - 2012 Result: Supporter sampling indicates that this target was achieved.

5 - KPI: AIA's income growth

2012 Target: AIA annual gross income of \$25.0 million in 2012

2012 Result: Gross income \$24.6m

6 - KPI: AIA's ability to meet our global financial commitments

2012 Target: AIA meets International Secretariat determined assessment of \$6.4 million

2012 Result: \$6.4 million in assessment paid

7 - KPI: The role AIA plays in regional / global governance and operational bodies

2012 Target: Number of pivotal roles in formal bodies as self-assigned (Board / ND)

2012 Result: AIA's board has determined that AIA staff and activists have played several pivotal roles

Significant Changes in the State of Affairs

In accordance with the decisions of the International Council Meeting of Amnesty International, Amnesty International Australia will significantly increase our contributions to the global movement over the next four years. It is expected that this will see the funds supplied to the global movement rise from current levels of 26% to 40% in 2017.

Events Subsequent to Balance Date

In the interval between the end of the financial year and the date of this report, there has not been any transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Environmental Regulations

The company is not subject to any significant environmental regulations under either Commonwealth or State regulation.

Liability of Members

The members are members of the public who have paid the annual membership fee. As at 31 December 2012 there were 10,683 members (2011: 11,967 members). A maximum amount of \$100 is guaranteed by each member in the event that the company is wound up.

Solicitors

Herbert Smith Freehills
101 Collins Street
Melbourne VIC 3000

Allens & Linklaters
Level 28 Deutsche Bank Place
Corner of Hunter & Phillip Streets
Sydney NSW 2000

Bankers

Commonwealth Bank of Australia
Level 12, 363 George Street
Sydney NSW 2000

Westpac
Level 2, 75-85 O'Riordan Street,
Alexandria NSW 2015

Auditors Independence

A declaration of independence has been received from the company's auditors, Ernst & Young. A copy of this declaration is included in this Annual Financial Report.

Signed in accordance with a resolution of the directors:



Gabrielle Kavanagh
Sydney
Director

Dated: 27th day of March, 2013

Financial Statements for the Year Ended
31 December 2012



Directors' Declaration

In accordance with a resolution of the directors of Amnesty International Australia, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of Amnesty International Australia, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the company as at 31 December 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read "GK" followed by a stylized flourish.

Gabrielle Kavanagh
Sydney
Director

Dated: 27th day of March, 2013

Financial Statements for the Year Ended 31 December 2012



Statement of Comprehensive Income for the Year Ended 31 December 2012

| | Note | 2012 \$ | 2011 \$ |
|--|------|---------------------|---------------------|
| <i>Revenue from operating activities</i> | | | |
| <i>Donations/fundraising</i> | | | |
| Human rights defender pledges | | 18,910,329 | 17,583,290 |
| Mail appeals | | 1,073,605 | 950,970 |
| Other donations | | 2,428,879 | 2,354,774 |
| Fundraising events | | 642,012 | 493,700 |
| Bequests | | 736,399 | 539,584 |
| Membership fees | | 443,655 | 502,916 |
| Merchandising | | 250,806 | 274,679 |
| <i>Other revenue</i> | | | |
| Interest and other | | 160,257 | 265,176 |
| Total revenue | | 24,645,942 | 22,965,089 |
| <i>Expenditure on Operating Activities</i> | | | |
| Human rights campaigning in Australia | | (5,766,005) | (7,891,703) |
| International campaigning and research | 3 | (7,829,343) | (7,316,595) |
| Building our supporter base | 3 | (7,599,244) | (5,938,060) |
| Fundraising | | (3,020,920) | (2,942,808) |
| Merchandise | | (289,187) | (279,912) |
| Governance and democracy | | (889,241) | (915,908) |
| Administration and other | | (621,186) | (939,827) |
| Net unrealised loss on financial asset at fair value | | - | (231,127) |
| Total expenses | | (26,015,126) | (26,455,940) |
| Operating Deficit | 3 | (1,369,184) | (3,490,851) |
| Other comprehensive income for the period | | - | - |
| Total comprehensive income for the period | | (1,369,184) | (3,490,851) |

Financial Statements for the Year Ended 31 December 2012



Statement of Financial Position as at 31 December 2012

| | Note | 2012 \$ | 2011 \$ |
|---|------|------------------|------------------|
| Assets | | | |
| <i>Current Assets</i> | | | |
| Cash and cash equivalents | 4 | 2,444,813 | 2,776,895 |
| Trade and other receivables | 5 | 671,349 | 699,945 |
| Inventories | 7 | 89,975 | 87,534 |
| Other current assets | 6 | 205,362 | 339,985 |
| Financial assets at fair value through profit or loss | 11 | - | 1,352,467 |
| Total Current Assets | | <u>3,411,499</u> | <u>5,256,826</u> |
| <i>Non-Current Assets</i> | | | |
| Other Assets | 8 | 117,480 | 49,087 |
| Property, plant and equipment | 9 | 349,182 | 570,082 |
| Intangible assets | 10 | 544,697 | 308,238 |
| Total Non-Current Assets | | <u>1,011,359</u> | <u>927,407</u> |
| Total Assets | | <u>4,422,858</u> | <u>6,184,233</u> |
| Liabilities | | | |
| <i>Current Liabilities</i> | | | |
| Trade and other payables | 12 | 1,278,805 | 1,557,418 |
| Provisions | 14 | 637,314 | 808,847 |
| Total Current Liabilities | | <u>1,916,119</u> | <u>2,366,265</u> |
| <i>Non-Current Liabilities</i> | | | |
| Other payables | 12 | 45,373 | 43,848 |
| Provisions | 15 | 306,950 | 250,520 |
| Total Non-Current Liabilities | | <u>352,323</u> | <u>294,368</u> |
| Total Liabilities | | <u>2,268,442</u> | <u>2,660,633</u> |
| Net Assets | | <u>2,154,416</u> | <u>3,523,600</u> |
| Accumulated Surplus | | | |
| Retained surplus | | <u>2,154,416</u> | <u>3,523,600</u> |
| Accumulated Surplus | | <u>2,154,416</u> | <u>3,523,600</u> |

Financial Statements for the Year Ended 31 December 2012



Cash Flow Statement for the Year Ended 31 December 2012

| | 2012 \$ | 2011 \$ |
|--|--------------------|--------------------|
| Cash Flows from Operating Activities | | |
| Cash receipts in the course of operations | 23,964,971 | 22,699,913 |
| Payments to employees and suppliers | (19,184,019) | (19,391,263) |
| Interest received | 160,257 | 265,175 |
| Payments to the International Secretariat and other Amnesty International sections | (6,268,508) | (5,941,884) |
| Net Cash Flows provided by Operating Activities | <u>(1,327,299)</u> | <u>(2,368,059)</u> |
| Cash Flows from Investing Activities | | |
| (Purchase)/Sale of financial asset | 1,417,484 | - |
| Purchase of property, plant and equipment | (48,673) | (335,871) |
| Purchase of intangible asset | (373,594) | (278,560) |
| Net Cash Flows Used in Investing Activities | <u>995,217</u> | <u>(614,431)</u> |
| Net increase/(decrease) in cash held | (332,082) | (2,982,490) |
| Cash at the beginning of the financial year | <u>2,776,895</u> | <u>5,759,385</u> |
| Cash at the end of the financial year | <u>2,444,813</u> | <u>2,776,895</u> |

Financial Statements for the Year Ended 31 December 2012

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Statement of Changes of Equity for Year Ended 31 December 2012

| | Accumulated surplus | Total |
|----------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| At 1 January 2011 | 7,014,451 | 7,014,451 |
| Deficit for the period | (3,490,851) | (3,490,851) |
| Other comprehensive income | - | - |
| At 31 December 2011 | 3,523,600 | 3,523,600 |
| At 1 January 2012 | 3,523,600 | 3,523,600 |
| Deficit for the period | (1,369,184) | (1,369,184) |
| Other comprehensive income | - | - |
| At 31 December 2012 | <u>2,154,416</u> | <u>2,154,416</u> |

1. CORPORATE INFORMATION

The financial report of Amnesty International Australia for the year ended 31 December 2012 was issued in accordance with a resolution of the directors on 3 April 2013.

Amnesty International Australia is a not-for-profit organisation limited by guarantee. The registered office is Level 1, 79-83 Myrtle Street, Chippendale, NSW, 2009. The nature of the operations and principal activities are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001, Australian Accounting Standards- Reduced Disclosure Requirements* and other authoritative pronouncements of the Australian Accounting Standards Board. It has been prepared on the basis of historical costs, except for financial assets at fair value through the profit and loss that have been measured at fair value. The accounting policies have been consistently applied, unless otherwise stated. The financial report is presented in Australian dollars, unless otherwise stated. The accounts have been rounded to the nearest dollar.

b. Statement of compliance

The financial report complies with Australian Accounting Standards Reduced Disclosure Requirements, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Some AIFRS and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The following Australian Accounting Standards include not-for-profit specific requirements which have been applied in preparing this financial report:

- AASB 116: Property, Plant and Equipment
- AASB 136: Impairment of Assets
- AASB 1004: Contributions

The accounting policies are consistent with those of the previous financial year except for the adoption of the following new or amended accounting standards:

- AASB 1054: Australian Additional Disclosures
- AASB 1048: Interpretation of Standards

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Statement of compliance (continued)

The entity has adopted AASB 1053 Application of Tiers of Australian Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosing Requirements which are mandatory for all accounting period beginning on or after 1 July 2013.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the company for the annual reporting period ending 31 December 2012. The Directors have not yet assessed the impact of these new or amended standards and interpretation on the company's financial report.

New Accounting Standards and UIG Interpretations

Certain Australian Accounting Standards and UIG Interpretations have been recently issued or amended but are not yet effective. These other standards have not been adopted for the year ended 31 December 2012. The directors have yet to finalise their assessment of the impact of these new standards and interpretation.

c. Income tax

Amnesty International Australia is exempt from income tax in Australia under Division 50 of the Income Tax Assessment Act 1997. As specified by the Australian Taxation Office (ATO), Amnesty International Australia completes an annual self-assessment to confirm the exemption.

d. Revenue recognition

Fundraising, bequests, donations and membership fees

Contributions from individuals, local groups and networks of Amnesty International Australia are treated as fundraising revenue and are recognised when received.

Sale of merchandise and publications

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Distributions from financial asset at fair value

Distributions from the financial asset at fair value through the profit and loss are recognised when received. Currently, it is Amnesty International Australia's practice to reinvest all distributions.

e. Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand, at-call or short term deposits with a maturity date of three months or less, and are with banks or financial institutions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Trade and other receivables

Trade receivables are recognised initially at fair value, and subsequently measured less an allowance for uncollectible amounts. The collectability of debts is assessed at the balance sheet date and specific provision is made for any doubtful accounts.

g. Inventories

Inventories are carried at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Finished goods – cost of direct materials, on a weighted average basis.

Net realisable value is the estimated selling price in the normal course of operations, less estimated costs necessary to make the sale.

h. Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Assets are depreciated over their estimated useful lives, using the straight line method, from the date of acquisition.

Depreciation rates used for each class of asset, for the current and previous years, are as follows:

| | 2012 | 2011 |
|------------------------|---------------|---------------|
| IT equipment | 33.3% | 33.3% |
| Plant and equipment | 25% | 25% |
| Leasehold improvements | term of lease | term of lease |

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Intangibles

Intangible assets were acquired separately and initially measured at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful life of 5 years and the amortisation expense is recognised in the income.

The development of commercially saleable in house software is capitalised at the lesser of the fair value and the historical cost of development. Such software is amortised over 5 years.

j. Recoverable amounts of assets

At each reporting date, assets are reviewed to determine whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, and where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amounts are determined for individual assets, unless the value in use cannot be estimated independently from other assets. In this case, the recoverable amount is determined for the cash-generating group of assets to which it belongs.

k. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged on a straight line basis as expenses over the lease term. Operating lease incentives are recognised as a liability when received and subsequently released over the term of the lease to the income statement.

l. Trade and other payables

Trade and other payables are carried at amortised cost, and are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company. Trade payables are normally settled within normal trading terms.

m. Provisions

Provisions are recognised when Amnesty International Australia has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where Amnesty International Australia expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Employee benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the balance sheet date, calculated at undiscounted amounts based on remuneration rates that the company expects to pay, expected to be settled within 12 months.

Long service leave

Liabilities for employee benefits for long service leave represent the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance sheet date. The provision is calculated using expected future increases in wage and salary rates, including related on-costs and proportion rates based on expected settlement dates and on turnover history. Those entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at the balance sheet date, which most closely match the terms of maturity of the related liabilities.

Superannuation plans

Contributions are made by Amnesty International Australia to defined contribution superannuation funds and are charged as expenses when incurred.

o. Foreign currency translations

Both the functional and presentation currency of Amnesty International Australia is Australian dollars.

Foreign currency transactions are converted to Australian dollars at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance sheet date are converted at the rates of exchange ruling at that date. Gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in the income statement in the year in which the exchange rates change.

p. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.
- Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Pro bono services and in-kind support

Amnesty International Australia receives pro bono services or donations from a range of providers including legal, information technology and human resource specialists.

Amnesty International Australia has assessed the fair or market value of these professional services or goods at \$520,714 (2011: \$220,804). The value of these services goods are recognised in the accounts as income with an equivalent expense.

Amnesty International Australia also receives considerable in-kind support from other individual supporters and no assessment of the value of this support has been attempted.

r. Disposal of surplus

Rule 7.1 of Amnesty International Australia's Memorandum of Association prohibits the distribution of any surplus to Members. All income must be applied towards the promotion of the objects of Amnesty International Australia.

The amounts of the reserves are determined through an annual risk based assessment based on Amnesty International guidelines.

s. Volunteer workers

Amnesty International Australia receives considerable services from its many volunteers. No assessment of the monetary value of this support has been attempted.

t. Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires the making of estimates and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant estimates

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of revision and future periods if the revision effects both current and future periods.

u. Investments and other financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value. The company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Financial assets at fair value through profit & loss*

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

(ii) *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

v. Fundraising activities

As a Charitable Institution and with Fundraising Authority issued by the NSW Government, Amnesty International Australia is subject to various state legislation and their reporting requirements as detailed below.

Charitable Fundraising Act 1991

This Act and supporting regulations prescribe the manner in which fundraising appeals are to be conducted, controlled and reported in NSW.

The amounts shown in Note 20 are in accordance with S23 (3) of the Act, Sections 5, 7 and 8 of the Regulations and Authority Condition 7.

Donations and bequests

Donations and bequests are recognised as income as and when received in Amnesty International Australia's offices or deposited in Amnesty International Australia's bank account. As specified in the Act, unsolicited donations, members' donations and bequests are not treated as fundraising income when determining information required under the Act.

Costs of fundraising

Costs in Note 20 include all direct fundraising costs in accordance with the Act. The inclusion of indirect costs is discretionary. Indirect costs include overheads such as rent, light, power, insurance and the time spent by accounting and office staff administering appeals and receipting but not directly involved in appeals.

Mail appeals donations and cost allocation

Mail appeals are targeted at both Members and Non-Members. When determining what constitutes fundraising activities as required under the Act, revenue received from members is excluded and a comparable share of costs attributed to Members is also excluded.

No costs were attributed to Members for a share of Raffle, Candle Day or Event costs even though some members would have supported both. The impact on results is not material.

Notes to the Financial Statements for the Year Ended 31 December 2012



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mail appeals donations and cost allocation (cont)

While a small number of events raise money, events are primarily designed to have a campaigning impact. The allocation of costs was changed to 100% to reflect the increased campaigning and decrease fundraising focus of events.

Donor acquisition

Bank charges incurred in receiving income from face to face approaches to the public through designated fundraising organisations and mass media appeals are recognised as a direct cost of fundraising. All donations with purchases of merchandise and one-off donations from non-Members are assumed to be the result of general campaigns and are reported as such.

3. OPERATING DEFICIT

The operating deficit/ has been arrived at after charging the following items:

| | 2012 \$ | 2011 \$ |
|---|------------|------------|
| Amortisation expense | 137,135 | 62,787 |
| Depreciation expense | 269,573 | 473,777 |
| Write-down of inventory to net realisable value | 537 | 41,427 |
| Operating lease / rental expense | 848,704 | 757,382 |
| Cost of goods sold | 94,175 | 101,211 |
| Payments to the International Secretariat of AI | 6,268,508 | 5,941,884 |
| Employee benefit expense | 7,200,591 | 7,305,322 |

4. CASH AND CASH EQUIVALENTS

| | 2012 \$ | 2011 \$ |
|--------------------------|------------------|------------------|
| Cash at bank and on hand | 2,444,813 | 526,895 |
| Bank short term deposits | - | 2,250,000 |
| | <u>2,444,813</u> | <u>2,776,895</u> |

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.

Notes to the Financial Statements for the Year Ended 31 December 2012



4. CASH AND CASH EQUIVALENTS (continued)

a. Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand and at bank and short term deposits at call. Cash at the end of the financial year as shown in the cash flow statement and is reconciled to the related item in the statement of financial position as follows:

| | 2012 | 2011 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| Cash on hand | 4,479 | 2,846 |
| Group bank accounts | 18,420 | 21,187 |
| Cash at bank | 821,716 | 304,094 |
| At call deposit | 1,600,198 | 198,768 |
| Bank short term deposits - maturing within 90 days | - | 2,250,000 |
| Cash assets | <u>2,444,813</u> | <u>2,776,895</u> |

5. TRADE AND OTHER RECEIVABLES

| | 2012 | 2011 |
|-------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Trade receivables | 163,970 | 152,887 |
| Other receivables | 507,378 | 547,058 |
| | <u>671,348</u> | <u>699,945</u> |

The carrying values of receivables are a reasonable approximation of fair value.

6. OTHER CURRENT ASSETS

| | 2012 | 2011 |
|--------------|-----------------------|-----------------------|
| | \$ | \$ |
| Prepayments | 93,144 | 177,333 |
| Other Assets | 112,218 | 162,652 |
| | <u>205,362</u> | <u>339,985</u> |

Notes to the Financial Statements for the
Year Ended 31 December 2012



7. INVENTORIES

| | 2012 \$ | 2011 \$ |
|--------------------|---------------|---------------|
| Finished goods | 60,465 | 58,024 |
| Campaign materials | 29,510 | 29,510 |
| | <u>89,975</u> | <u>87,534</u> |

Finished goods represent inventories available for sale. Campaign materials represent inventories which are distributed free of charge as part of our activism and campaigning activities.

8. NON-CURRENT ASSETS

| | 2012 \$ | 2011 \$ |
|--------------|----------------|---------------|
| Other Assets | 117,480 | 49,087 |
| | <u>117,480</u> | <u>49,087</u> |

9. PROPERTY, PLANT AND EQUIPMENT

| | 2012 \$ | 2011 \$ |
|--|--------------------|--------------------|
| Plant and equipment, at cost | 1,505,243 | 1,491,571 |
| Less: accumulated depreciation | <u>(1,432,271)</u> | <u>(1,370,784)</u> |
| Net Plant and equipment | <u>72,972</u> | <u>120,787</u> |
| Leasehold improvements, at cost | 2,164,467 | 2,129,466 |
| Less: accumulated depreciation | <u>(1,888,258)</u> | <u>(1,680,171)</u> |
| Net Leasehold improvements | <u>276,209</u> | <u>449,295</u> |
| Total cost | 3,669,710 | 3,621,037 |
| Total accumulated depreciation | <u>(3,320,528)</u> | <u>(3,050,955)</u> |
| Total Property, plant and equipment | <u>349,182</u> | <u>570,082</u> |

Notes to the Financial Statements for the
Year Ended 31 December 2012



9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

| | 2012 | 2011 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Plant and equipment: | | |
| Carrying amount at beginning of the year | 120,787 | 229,674 |
| Additions | 13,673 | 5,998 |
| Depreciation | <u>(61,487)</u> | <u>(114,885)</u> |
| Carrying amount at the end of the year | <u>72,973</u> | <u>120,787</u> |
| Leasehold improvements: | | |
| Carrying amount at beginning of the year | 449,295 | 562,915 |
| Additions | 35,000 | 329,873 |
| Disposal | - | (84,602) |
| Depreciation | <u>(208,086)</u> | <u>(389,103)</u> |
| Carrying amount at the end of the year | <u>276,209</u> | <u>449,295</u> |
| Total Property, plant and equipment: | | |
| Carrying amount at beginning of the year | 570,082 | 792,589 |
| Additions | 48,673 | 335,871 |
| Disposal | - | (84,602) |
| Depreciation | <u>(269,573)</u> | <u>(473,776)</u> |
| Total carrying amount at the end of the year | <u>349,182</u> | <u>570,082</u> |

10. INTANGIBLES

| | 2012 | 2011 |
|--------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Intangible assets, at cost | 858,400 | 484,806 |
| Less: accumulated amortisation | <u>(313,703)</u> | <u>(176,568)</u> |
| Total Intangible assets | <u>544,697</u> | <u>308,238</u> |

Reconciliations of the carrying amounts for each class of intangibles are set out below:

| | | |
|---|-----------------------|-----------------------|
| Intangibles: | | |
| Carrying amount at beginning of the year | 308,238 | 92,465 |
| Additions | 373,594 | 278,560 |
| Amortisation | <u>(137,135)</u> | <u>(62,787)</u> |
| Carrying amount at the end of the year | <u>544,697</u> | <u>308,238</u> |

Notes to the Financial Statements for the
Year Ended 31 December 2012



11. FINANCIAL ASSETS

| | 2012 | 2011 |
|---|----------|------------------|
| | \$ | \$ |
| Current | | |
| <i>Financial assets at fair value through profit and loss</i> | | |
| Investment in managed fund | - | 1,352,468 |
| Total current financial assets | <u>-</u> | <u>1,352,468</u> |

The managed funds were cashed in this year to support Amnesty International Australia's activities as approved by Board.

12. TRADE AND OTHER PAYABLES

| | 2012 | 2011 |
|---------------------------|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Trade payables | 858,650 | 1,066,181 |
| Other payables & accruals | 420,155 | 491,236 |
| | <u>1,278,805</u> | <u>1,557,417</u> |
| Non-current | | |
| Lease incentive accrual | 45,373 | 43,848 |
| | <u>45,373</u> | <u>43,848</u> |

The carrying values of payables are a reasonable approximation of fair value, due to the short term nature.

13. EMPLOYEE BENEFITS – SUPERANNUATION

Amnesty International Australia makes contributions to defined contribution superannuation funds.

The amount recognised as an expense in the statement of comprehensive income is \$592,941 (2011: \$567,980).

14. CURRENT LIABILITIES – PROVISIONS

| | 2012 | 2011 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Long service leave | 292,687 | 230,369 |
| Annual leave | 343,815 | 523,513 |
| Provision for Redundancy | - | 53,447 |
| Other | 812 | 1,518 |
| | <u>637,314</u> | <u>808,847</u> |

Notes to the Financial Statements for the
Year Ended 31 December 2012



15. NON-CURRENT LIABILITIES – PROVISIONS

| | 2012 \$ | 2011 \$ |
|---------------------|----------------|----------------|
| Make good provision | 111,720 | 76,720 |
| Long service leave | 195,230 | 173,800 |
| | <u>306,950</u> | <u>250,520</u> |

(a) *Nature and timing of provisions*

(i) Make good provision

Queensland

In accordance with the lease agreement for our Queensland Action Centre, Amnesty International Australia must restore the premises to its original condition at the end of the lease term in 2012.

Australian capital Territory

In accordance with the lease agreement for our ACT Action Centre, Amnesty International Australia must restore the premises to its original condition at the end of the lease term in 2016.

South Australia

In accordance with the lease agreement for our SA Action Centre, Amnesty International Australia must restore the premises to its original condition at the end of the lease term in 2015.

New South Wales

In accordance with the lease agreement for our NSW Action Centre, Amnesty International Australia must restore the ground floor only of the premises to its original condition at the end of the lease term in 2014.

Movement in the make good provision for the year is set out as follows:

| | 2012 \$ | 2011 \$ |
|----------------------------|----------------|---------------|
| At 1 January 2011 | 76,720 | 63,720 |
| Arising during the year | 35,000 | 13,000 |
| At 31 December 2012 | <u>111,720</u> | <u>76,720</u> |

(ii) Long service leave

Refer to note 2(n) for the relevant accounting policy.

| | 2012 | 2011 |
|--|------|------|
| Number of employees (Full time equivalent at year end) | 75 | 78 |

16. OPERATING LEASE COMMITMENTS

Amnesty International Australia has entered into commercial leases on certain buildings and items of office equipment.

The leases on buildings have an average life of between 1 and 7 years with renewal terms included in the contracts. Renewals are at the option of Amnesty International Australia. Most lease contracts provide for escalating lease payments based on general inflationary indices.

The leases for office equipment have an average life of between 2 and 5 years with renewal terms included in the contracts. Renewals are at the option of Amnesty International Australia.

There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2012 are as follows:

| | 2012 | 2011 |
|--|------------------|------------------|
| | \$ | \$ |
| Within one year | 766,739 | 787,677 |
| After one year but not more than 5 years | 2,371,425 | 458,723 |
| More than 5 years | - | - |
| Total | 3,138,164 | 1,246,400 |

17. SEGMENT INFORMATION

Amnesty International Australia operates in the human rights industry, specifically human rights campaigning, awareness raising and fundraising in one geographical area - Australia.

18. DIRECTORS' REMUNERATION

All directors at both national and regional level provide their services free of charge. No remuneration was paid to directors except for some reimbursement of expenses incurred in the course of their duties.

19. RELATED PARTIES

a) Directors

There were no loans to Directors at any time in the year ended 31 December 2012. If a Director from time to time purchases goods from the company it is on the same terms and conditions as available to employees.

b) Key management personnel remuneration

The following compensation was made to 6 employees (2011:6 employees) on the Senior Management Team for their contributions as employees for the company and for conducting and directing services. The decrease is attributable to a restructure of the Senior Manager Team, resulting in reduction of 1 position.

| | 2012 | 2011 |
|--------------------|---------|---------|
| | \$ | \$ |
| Total remuneration | 827,103 | 869,296 |

Notes to the Financial Statements for the Year Ended 31 December 2012



19. RELATED PARTIES (continued)

c) Transactions with the international movement of Amnesty International and other Amnesty sections.

Based on Amnesty International Australia's financial results from prior periods, the organisation contributes to the international movement via the International Secretariat. The 2012 assessment amount was \$6,432,000 (2011: \$5,191,884) and was paid during the year.

During the year Amnesty International Australia purchased publications and campaign materials from the International Secretariat. The company also incurred costs on behalf of the international movement which were deducted from assessment payments.

As at 31 December 2012, there are \$93,979 receivables due from international movement (2011:nil) and there are \$536,000 (2011: \$24,861) owing to the international movement in 2012.

20. CHARITABLE FUNDRAISING ACT (NSW) 1991

a) Details of aggregated gross income and total expenses of fundraising appeals:

| Results of fundraising appeals | 2012 \$ | 2011 \$ |
|--|--------------------------|--------------------------|
| Gross income | 24,645,942 | 22,965,089 |
| Less: Proceeds not received from appeals | <u>(3,973,028)</u> | <u>(3,147,259)</u> |
| Gross proceeds from fundraising appeals | <u>20,672,914</u> | <u>19,817,830</u> |
| | | |
| Gross proceeds from fundraising appeals | 20,672,914 | 19,817,830 |
| Less: Direct costs of fundraising appeals | <u>(8,459,932)</u> | <u>(4,899,196)</u> |
| Net surplus from fundraising appeals | <u>12,212,982</u> | <u>14,918,634</u> |

b) Fundraising appeals conducted during the financial year:

Fundraising appeals were conducted during the financial year by mail, telephone and face to face street fundraising. In addition funds were raised by a raffle, donations from non-Members and numerous fundraising events.

Donations and fundraising in this note follow the definition in the Charitable Fundraising Act. As such, there are some differences in the classification of items compared to the statement of comprehensive income but the overall totals remain the same.

20. CHARITABLE FUNDRAISING ACT (NSW) 1991 (Continued)

c) Details of Results of Fund Raising Appeals

| Types of appeal | Fundraising: Revenue/Expense Comparison 2012 | | | 2011 | | Ratio of cost to Revenue |
|------------------|---|------------------|--------------------------|-------------------|------------------|--------------------------|
| | Revenue | Expenses | Ratio of cost to Revenue | Revenue | Expenses | |
| Regular giving | 18,011,601 | 7,713,421 | 43% | | | |
| Major Donors | 547,359 | 88,636 | 16% | | | |
| Corp Alliance | 159,761 | 20,096 | 13% | | | |
| Raffle | 180,819 | 63,608 | 35% | | | |
| Telephone | 62,501 | 2,417 | 4% | | | |
| Email | 280,453 | 59,346 | 21% | | | |
| Payroll giving | 104,418 | 1,732 | 2% | | | |
| Sub Total | 19,346,912 | 7,949,257 | 41% | 18,611,479 | 4,498,121 | 24% |
| Events | 427,461 | 124,458 | 29% | 255,381 | 56,801 | 22% |
| Mail Appeals | 898,541 | 386,217 | 43% | 950,970 | 344,273 | 36% |
| Total | 20,672,914 | 8,459,932 | 41% | 19,817,830 | 4,899,196 | 25% |

For 2012 the ratio of costs to revenue both overall and by fundraising category is within the 50% guideline. Street face to face fundraising is highly cost effective when considered over a longer period as all fees are paid up front.

Declaration by Director in Respect of Fundraising Appeals



I, Gabrielle Kavanagh Director of Amnesty International Australia, declare that in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of Amnesty International Australia with respect to fundraising appeal activities for the financial year ended 31 December 2012
- (b) the statement of comprehensive income gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2012.
- (c) the provisions of the Charitable Fundraising Act 1991 and Regulations and the conditions attached to the authority have been complied with during the period from 1 January 2011 and 31 December 2012.
- (d) the provisions of the Charitable Collections Act 1946 (WA) and Regulations and the conditions attached to the authority have been complied with during the period from 1 January 2011 and 31 December 2012.
- (e) the internal controls exercised by Amnesty International Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals, although it is not always practicable for the company to establish accounting control over all sources of fundraising appeal activities prior to receipt of these funds by employees of the company.

Dated at Sydney this 27th day of March 2013

Gabrielle Kavanagh
Sydney
Director

Auditor's Independence Declaration to the Directors of Amnesty International Australia

In relation to our audit of the financial report of Amnesty International Australia for the financial year ended 31 December 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young
Ernst & Young

Loretta Di Mento

Loretta Di Mento
Partner
27 March 2013

Independent auditor's report to the members of Amnesty International Australia

Report on the financial report

We have audited the accompanying financial report of Amnesty International Australia, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is referred to in the directors' report.

Opinion

In our opinion the financial report of Amnesty International Australia is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of Amnesty International Australia at 31 December 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the requirements described in the above-mentioned Act(s) and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) the financial report of Amnesty International Australia has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2012, in all material respects, in accordance with:
 - i sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*;
 - iii the *WA Charitable Collections Act (1946)*; and
 - iv the *WA Charitable Collections Regulations (1947)*.

- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 31 December 2012 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act(s) and Regulations.

Ernst & Young
Ernst & Young

Loretta Di Mento

Loretta Di Mento
Partner
Sydney
27 March 2013